



**HIGHER PROJECT
INTERREG EUROPE
PROGRAMME**

**ACTION
PLAN
Abruzzo**

*Better Policy Instruments for High
Innovation Projects in the European
Regions*

ABRUZZO REGION

PART I - GENERAL INFORMATION

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ACTION PLAN MAIN OBJECTIVE AND GOALS

The main objective of the Action plan is to add value to the EU action on regional level in Abruzzo, to set up new tools and methods to mobilize significant private resources in an integrated way with European funds.

There are significant potential spill-overs across regional boundaries, for example for investments in innovation and SMEs. There is an important role for the EU funds in ensuring that such spill-overs materialize and in preventing underinvestment. The main goal of the action plan is to develop smart specialisation strategies (RIS3) as a consistent strategic framework for investments. These were triggered by the strategic programming requirement for new ERDF support and the corresponding pre-condition. In fact, the benefits of such strategies tend to be highest in the most developed regions and Abruzzo wants to organize its territory and stakeholders for the new programming period, in order to reach the most developed regions in Europe. In addition for the next programming period, where the co-financing rate will be higher, it will be vital to invest in areas where the EU funds can offer real European added value to public spending at the regional level.

PART II - POLICY CONTEXT

The regional socioeconomic context highlights structural weaknesses in terms of competitiveness of the economy and poor attitude of enterprises to absorb highly qualified human resources, to develop and implement innovations in organizational processes and technology. The number of employees in the field of R&D, is higher than the share of South Italy, but far from the national average. At the regional level, it is necessary to increase the innovation activities of enterprises and counter the loss of competitiveness of the local economy, only in the areas of specialization. The lack of private investment has been addressed through the aggregation processes. In any case, the situation on innovation must be improved. All the policy instrument of ERDF and ESF ROP intends to support companies that have adopted strategies of innovation and internationalization and sustain aggregation processes. In the previous programming period were funded Innovation Poles related to 12 different regional economic sectors and about 135 network of enterprises/business with the involvement of universities and research centres. The policy needs to increase the innovation activities of companies, through their investment and cooperation, and synergies between SMEs and large enterprises.

The policy instrument addressed by Abruzzo Region within the HIGHER project is Action 1.1.4 of the ROP ERDF 2014-2020 "Sustainability of collaborative research and development activities for the development of new sustainable technologies, products and technologies".

The influence of the HIGHER Project on this instrument is shown by the fact that the use of funds has focused on the technological domains of the Regional Smart Specialization Strategy. The Abruzzo

Region is currently starting the building of the new programming period 2021-2027, in which funds for research and innovation will play an important role. In the previous programming period aids for research and innovation were only provided in the form of grants: it will be useful to experiment the use of the financial instruments foreseen by the Action 3 of this Action Plan., considering that financial instruments – compared to the “normal” grants - have the advantages and the added value of rotativity, leverage effect and possibility of a lower aid intensity.

The HIGHER Project activities have already influenced the implementation of the Regional Policy Instrument addressed, as Abruzzo Region, following the lessons learnt during the benchmarking analysis with Norte Portugal Region, launched the first multi fund ERDF –ESF Call for proposals for 7,5 M€ within “Life Science” technological dominion (<https://app.regione.abruzzo.it/avvisipubblici/scienze-vita-luglio-18>). This multi-fund setting will also be followed in the next programming period.

The innovative management of natural and cultural resources

Abruzzo is a territory of natural wealth and unlimited heritage. Its coasts, mountains and fields contain an enormous biodiversity and its culture is rich and unique, meaning that the use of all these natural resources is the undeniable mainstay of the economy and society. This reality and the other exciting challenges are still to be taken on: the sea, the countryside and the forests, together with energy and tourism, are the main players in the first great challenge in Smart Specialisation Strategies.

The future industrial model

Abruzzo have a deeply-rooted and consolidated industry in sectors such as automobiles, textiles, food,. Almost 20% of the Gross Domestic Product of Abruzzo comes from industrial activity. Its importance in the economy and society and its potential to become more competitive and diversified mean that the manufacturing industry is one of the main players in the implementation of the Smart Specialisation Strategies.

A new healthy lifestyle model based on active ageing

Abruzzo is starting to define these new industrial niches and therefore a fruitful collaboration among public and private stakeholders to reach a leading position in this domain. The development of technology to improve health and quality of life, especially among senior citizens, together with the ongoing challenges in healthcare, mean that Abruzzo can work in the following years to find high added-value solutions in this sector.

Measures for RIS3 implementation. Abruzzo Region axis 1

Axis 1 of ROP of Abruzzo Region focused on research, technological and innovation development, priorities intend to promote the investment of the SME in R&D, and it represent the main tools for financing the Regional RIS3. The development of synergies between SMEs, Center of research and development, investment on services and products, transfer of technology, social innovation, eco-innovation, aggregation of SME, cluster by S3 can be supported within Axis 1 and the domain of RIS3. Looking and discovering the Regional plans especially the priority Axis 1 "Research, technological development and innovation", the thematic priority of the Abruzzo Region's investments towards companies has developed links and synergies between companies, research centers and the higher education sector.

In addition other connections with RIS3 can be fostered also in other axes as::

- 2 dissemination of digital services
- 3 competitiveness of the production system
- 4 promotion of a low-carbon economy
- 5 reduction hydrogeological risk
- 6 protection and enhancement of natural and cultural resources
- 7 sustainable urban development

Over the last few years the Abruzzo Region, especially in the implementation of **Axis I of the ERDF, has generated strong connections with the regional S3 strategy**. In particular, investments in the development a lot projects financed by the Axis 1 has been planned to support advanced manufacturing and the use of key enabling technologies, social innovation services, processes with eco-innovation application, applications in public services, clusters and open innovation.

Speaking about financing measures, two call for proposals has been published aimed at supporting research initiatives and the other one to finance research projects of enterprises that employ researchers and who develop new eco-sustainable products through new forms of public-private collaboration were launched. **The first call for "large projects", which combines several ERDF actions with a total allocation of 20 million euros, generated investments of around 45 million euros.** The second call, **with a budget of 4 million euro, received 115 project applications, while in total about 40 projects** were financed. Both calls refer to the development trajectories indicated by the single technological domains highlighted in the regional strategy "smart specialization". In addition, they have been committed for participation in a project by the means of a memorandum of understanding with the Ministry of Economic Development already signed and which is in advanced

stage of implementation and **a further large research project, aimed at the "life sciences" domain only. Up to today, around € 9 million has been spent on projects under S3.**

PART III – ACTIONS IN DETAILS

ACTION 1 IMPROVING IMPACT OF THE EU FUNDS

Background

Lesson learnt from HIGHER project comes from “Joint Cross-Border Smart Specialization Strategy, Galizia & Região Norte” studied during the Benchmarking analyses “Abruzzo – Galicia”; the most relevant points are indicated within paragraphs 3.2 “METHODOLOGY FOLLOWED FOR DIAGNOSIS OF THE EUROREGION’S INNOVATION SYSTEM” and 3.3. “METHODOLOGY FOLLOWED TO ESTABLISH GOVERNANCE” of the Document.

The main idea is to reproduce, since it will be sustainable, the governance system, structured in the following phases:

- Diagnosis of the RIS3s from the two Regions;
- Territorial Diagnosis included in the draft of the 2014-2020 Programme
- Territorial Diagnosis included in the Joint Investment Plan.

The exchange of experiences confirmed the validity of S3 as a policy process, therefore it is important to understand the common ground for cross-sectorial cooperation in order to identify new methods to finance innovation and include also the industrial sector in the policy implementation with financial tools shared among different authorities. Supporting innovation in a cross-border level, an experience useful to tackle the problems for future collaboration among territories across the institutional borders in order to facilitate developing and implementation of the transnational dimension of the RIS3.

Action 1.1 Textual analysis of ERDF project results to verify coherence with project and RIS3 and identify potential measures for the new priorities over the 2021-2027 period where European Regional Development Fund and Cohesion Fund will support Member States to reduce their economic, social and territorial disparities thanks to the interventions focused on five objectives: Smarter Europe, Greener carbon free Europe, More connected Europe, More social Europe, Europe closer to citizens. This Action will be carried out by internal meetings with the M.A.

Action.1.2 Multi-fund call. In order to make it easier for different programmes and instruments to work together to boost the impact of the EU budget, Abruzzo Region already published its first multi-fund (ERDF - within the Policy Instrument object of “Higher” project - ESF) call. Following the proposal to strengthen the focus on performance across all Programmes, a model for a multi-fund call will

elaborated. A model for future multi-fund actions will be elaborated, translated in English and shared also with other AdG of FEASR, FSE Territorial cooperation.

This action will be prepared by meetings with the ESF and ERDF Stakeholders and thematic focus groups with the Officers in charge of the implementation of the two funds.

Action.1.3 Workshops and training activities aimed at companies and public institutions focused on innovation issues. Networking action with Galicia and Região Norte will continue (follow-up of the benchmarking analysis), in order to develop guidelines for supporting innovation in a interregional level, an experience useful to tackle the problems for future collaboration among territories and stakeholders across the institutional borders. **The aim is to set up a meeting for this sub-action. The output of the meeting will be an analytical report.**

PLAYERS INVOLVED

- ✓ Regional departments and other organization involved in macro regional strategy
- ✓ Regional business supporting associations
- ✓ HIGHER stakeholders members: **Large Enterprises and SMEs, Universities and Research Centres, Public Administrations, Innovation Poles, ERDF and ESF MA. The “other organisations involved in macro regional strategy”, are mainly enterprises from common technological Dominions (indicated by the different regional RIS3 strategies), showing business interests within the area.**

TIMEFRAME: November 2018 – June 2019

FUNDING SOURCES: Phase 2 Higher budget: 12.000,00 euro (for monitoring)

For the implementation of actions 1 human internal resources of the Regional Administration will be used.

ACTION 2 - CLUSTERING THE INNOVATORS

Background

This action is strictly linked with best practices: “Smart Specialization Strategy in Stockholm: KTH Strategic Partnership: establishment of a long term collaboration for development between companies of varying sizes, research institutes, and a number of public organizations”.

The main principles for implementation to be transferred, learnt by the presentation held by the Stockholm County Administrative Board in Cambridge (30/03/2017), are the following:

- Concentration of resources

- Companies and employees in focus (i.e. not entrepreneurship and start-ups)
- Collaboration between funds
- “Stockholm Model”: large collaborative projects between strategic partners (preferably interdisciplinary initiatives); a strategic effort with several participating projects, contributing to regional learning.

The construction of the Regional Specialization Strategy - RIS3 represents the basis of a new way of supporting the territory aimed at putting the research and innovation policies in place and avoiding the fragmentation of the interventions and, consequently, the dispersion of resources. This practice has the main aim in exchange experiences and methods from the Baltic area to the Adriatic area. In order to enlarge cooperation within Europe for local enterprises and participation to a strong network and clusters

Action.2.1 Clustering innovation regional projects already financed by ERDF regional fund and included in RIS3 domains. The goal is to invest throughout Europe using new facilities of integrated investment fund for innovation by supporting strategic projects in cutting-edge areas such as artificial intelligence, or industrial digitization, and investing in digital skills, the new programmes will help to complete the Digital Single Market, a key priority of the Union.

This action will be carried out through meetings and discussions with projects beneficiaries. **The aim is to set up a meeting for this sub-action. The output of the meeting will be an analytical report.**

Action 2.2 Implementation and updating of the “Pescara Charter” (across the board priority for ROP ERDF and ESF). The “Pescara Charter” is a pact between Abruzzo Regional Council and enterprises in identification of 61 sustainability conditions. Sustainability is a common thread through the work of the Union in many different areas, this is both by necessity and by choice. Actions will be addressed to increase the supporting measures in promoting energy efficiency and clean energy among SMEs. The charter wants to **create a welcoming and inclusive "social" climate for research and business**, and supporting development of wisdom (knowledge) and skills (know-how) for **sustainable industry** at all levels. Action will be focused on simplification of the criterias and relevant indicators in order to facilitate participation of Micro and SMEs and now under represented. **The Pescara Charter is the link between industrial policy actions** and aims to develop existing local manufacturing activities (or others that could be hopefully attracted), by leveraging the ability to integrate/develop new knowledge/new technologies, **maximizing synergy among economic, social and environmental sectors**. An awareness event will be also organized among the current members, in particularly large enterprises and their own supplier within their supply-chain as to verify participation of the SMEs.

This action will be carried out through meetings with the large enterprises already enrolled in the “Charter”, stimulating them to involve in the process of supporting sustainability their supply chain SMEs.

PLAYERS INVOLVED

- ✓ Regional departments and other organization involved in macro regional strategy
- ✓ Regional business supporting association and enterprises participant on Pescara charter
- ✓ Universities’ departments
- ✓ HIGHER stakeholders members: Large Enterprises and SMEs, Universities and Research Centres, Public Administrations, Innovation Poles, ERDF and ESF MA. The “other organisations involved in macro regional strategy”, are mainly enterprises from common technological Dominions (indicated by the different regional RIS3 strategies), showing business interests within the area.

TIMEFRAME: January 2019 – December 2019

FUNDING SOURCES: Phase 2 Higher budget : 11.500,00 euro (for monitoring)

For the implementation of actions 2 human internal resources of the Regional Administration will be used.

ACTION 3 FINANCIAL INNOVATION

Background

This action is strictly linked with best practices: “Smart Specialization Strategy in Stockholm: KTH Strategic Partnership: establishment of a long term collaboration for development between companies of varying sizes, research institutes, and a number of public organizations and with the relevant actions related with financial synergies.

The construction of the Regional Specialization Strategy - RIS3 represent the basis of a new way of supporting the territory aimed at putting the research and innovation policies in place and avoiding the fragmentation of the interventions and, consequently, the dispersion of resources. This practice has the main aim in exchange experiences and method from the Baltic area to the Adriatic area Enlarge cooperation within Europe for local enterprises and participation to a strong network and clusters.

The document “Analysis of the HIGHER Policy Instruments”, officially delivered by the HIGHER project partnership, has clearly shown the need of additional financial engineering instruments to support innovation, internationalization and entrepreneurship for all the partners, and in particular for Abruzzo and Norte Portugal Regions (please see pages 15 and 54). The increased use of financial instruments will have to be coordinated with the InvestEU Programme, that will bring together under one Programme the multitude of EU financial instruments currently available to support investments in the EU.

Regarding the exchange of experiences with the Baltic Area, we focused on the “BSR Stars Programme – Innovation in the Baltic Sea Region”, officially presented during the “Stockholm Innovation Summit” held on 21st february 2018. The BSR Stars Programme is a flagship within the EU Strategy for the Baltic Sea Region. It aims at strengthening competitiveness and economic growth in the Baltic Sea Region by linking strong research environments, clusters and SME networks – that address common “grand challenges” in the Region. As an extension of this the programme also aims at strengthening innovation policy capabilities to work with smart specialisation on a macro-regional level.

The main aim of “alliance” is to mobilize transnational collaboration on three fronts: Facilitating linkages; Developing collaborative strength; Strengthening the Policy Framework.

It will be very useful try to experiment this kind of policy area innovation tool within the Adriatic area, setting up a transnational call (sub action 3.2 of the Abruzzo Region Action Plan) for proposals for the internationalisation of SMEs through cluster initiatives and business networks.

This action is also linked with best practices “Joint Cross-Border Smart Specialization Strategy, Galicia & Região Norte” – SWOT Analysis Table 5. Weaknesses and Strengths of the Euroregion: “*Absence of a systemic, transparent and specialised relationship of financial instruments to support innovation, internationalisation and entrepreneurship.*”

Action 3.1 Agreement and model with SMEs financial guarantee bodies in order to increase use of financial instruments in view of a voluntary participation in the new InvestEU Fund. The idea is to face higher national co-financing with new innovative method that could help increase ownership on the ground as well as the impact of the policy. The Credit Observatory, a consultation body among public institution and financial operators of Abruzzo region, recently setting up, will be involved to discuss and put in practice actions to favour potential connections with InvestEU Fund.

Action 3.2 Foster RIS3 internationalization and collaborative strategy by the implementation of a study to identify potential connections regarding other regional territory across Europe in order to establish new collaboration based on RIS3 domains.

Action 3.3 Development of the smart specialisation proposals with a complementarities among cohesion policy with Erasmus+ and Horizon Europe will also be reinforced through an alignment of relevant rules, a reinforcement of the “seal of excellence” mechanisms

PLAYERS INVOLVED

- ✓ Regional departments and other organization involved in macro regional strategy
- ✓ Regional Innovation hub
- ✓ HIGHER stakeholders members: Large Enterprises and SMEs, Universities and Research Centres, Public Administrations, Innovation Poles, ERDF and ESF MA. The “other organisations involved in macro regional strategy”, are mainly enterprises from common technological Dominions (indicated by the different regional RIS3 strategies), showing business interests within the area.

TIMEFRAME: March 2019 – June 2020

FUNDING SOURCES: Phase 2 Higher budget : 14.000,00 euro (for monitoring)

For the implementation of actions 3 human internal resources of the Regional Administration will be used. The provider of external services will also be involved with no additional costs.